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FEBRUARY 10, 1964

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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Including FOREIGN CROPS AND MARKETS

FEBRUARY 10, 1964
VOLUME II • NUMBER 6

At the Hotelympia Exhibition last month in London, a top U.S. chef showed U.K. caterers and hotelmen delicacies made from American foods and wine.

Contents

Orville L. Freeman, Secretary of Agriculture

Roland R. Renne, Assistant Secretary for International Affairs

Raymond A. Ioanes, Administrator, Foreign Agricultural Service

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HOW MUCH FOOD THE WORLD WILL NEED by the year 2000

By LESTER R. BROWN
Office of Administrator
Economic Research Service

The world food problem itself is not new; it has always existed. It is the magnitude of the problem that has changed, and for two reasons. First, the number of people in the world is increasing so rapidly that the addition to world population between now and the end of this century—only 36 years hence—will equal or exceed the entire population of today. Second, this is occurring at a time when the amount of new land suitable for cultivation is rapidly diminishing.

Thus man will no longer be able to augment his food supply largely by moving to unsettled areas and bringing new land into production. It has now become necessary to turn to the alternative method of producing more food—matching population growth with increased yields.

Population in perspective

Throughout much of man's history a high birth rate has been necessary to offset the high death rate and assure the continuation of the human race. But with the reduced death rates that have resulted from the widespread application of medical technology, population growth has rapidly accelerated.

From the beginning of Christianity until the end of the 16th century, world population grew at an average of 2 to 5 percent *per century*. Since about 1960, it has been growing at 2 percent *per year*. The old equilibrium between births and deaths has been destroyed, but a new equilibrium has not yet developed. Until it does, man must seek to expand his supply of food to match the increase in his numbers.

Total population growth in the regions currently classed as less developed is expected to amount to almost 4 billion people during this century, compared with only 800 million in the developed regions. As of 1960, only 1 billion of the expected 4 billion total had been added; thus, the impact of this phenomenal growth in numbers will be reserved for the closing decades of the century. To feed these 3 billion new mouths, the less developed regions must add to their current food output an amount equivalent to the current output of the entire world.

New land increasingly scarce

In spite of our vast store of scientific knowledge, we have no practical substitute for land in the production of food. It is imperative, therefore, that we examine the trends in agricultural land area. But it is not enough to ask, "What are the possibilities for expansion in cultivated areas?" We must also ask, *"How soon?"* and, *"At what cost?"*

Expansion possibilities vary widely between countries. In some—as in Japan since around 1920—the area under cultivation is actually declining. Sweden, Switzerland, Ireland, and the United Kingdom have also been losing farmland to various nonagricultural uses such as houses, roads, airfields, and factories.

Three countries—Pakistan, India, and China—containing well over one-third of the world's people, have little new land that can readily be brought under cultivation. But some of the smaller countries in Asia —such as Burma, Thailand, and the Philippines—and several of the African nations south of the Sahara can substantially expand their cultivated areas.

The terms "agricultural land" or "arable land" are often rather loosely defined. A more precise, though not all-inclusive, indicator is "area in grain." Grains occupy about 70 percent of all the harvested area.

The area of grain-producing land per person has declined substantially over the past 25 years in every part of the world. In the developed regions this decline has been more than offset by rising yields but in the less developed regions there has been no such compensating trend, output per person has declined.

Quality of diets

Diets are nutritionally adequate throughout the developed regions—North America, Western Europe, Eastern Europe including the Soviet Union, and Oceania. Countries with nutritionally inadequate diets are confined to Asia, Africa, and Latin America. But these countries contain well over one-half of the world's people.

Some 36 major countries now have energy intake levels below the minimum recommended to maintain normal body activity and health. Thirty-five countries have serious deficiencies in animal protein, pulse protein, or total protein. These include all the less developed countries with large populations, such as China, India, Pakistan, and Indonesia. Diets in 27 countries are deficient in fat.

These minimum reference standards vary with countries according to body size, climate, and age group distribution. They are not to be confused with desirable or optimal standards.

Significant trends in trade

In looking ahead at future food needs and the agricultural resources needed to produce them, we rely

heavily on statistics for all grains considered together. Grains provide 52 percent of all calories when consumed directly and a large part of the other 48 percent when consumed indirectly in the form of meat, milk, and eggs. In terms of food energy, grains completely dominate world trade in food. They thus provide a convenient common denominator for analyzing production, trade, and consumption.

Before World War II, the less developed regions exported an average of 11 million tons of grain net per year to developed regions. Since the war, however, the flow has been reversed and the developed regions are now exporting some 20 million tons a year to the less developed regions. Clearly; the less developed world is losing the capacity to feed itself.

During this same period, per capita grain output in the less developed regions declined. But because exports have ceased and imports are large, per capita availability has risen slightly. Before the war, these regions were exporting 4 percent of their total grain output; now, imports account for 4 percent of total consumption. These imports are possible largely because of the U.S. Food for Peace program.

Future food needs

The net flow of grain from the developed regions to the less developed regions in 1957-60 amounted to 15 million metric tons per year and provided 3 percent of the total grain supply in the importing countries. North America accounted for most of this grain; Oceania, for the rest. By the end of this century, the net grain flow into the less developed regions is expected to account for 5 percent of total grain needs. But because the popuulations of these regions will be more than double their present size, the net grain flow may be nearly 70 million metric tons per year instead of 15 million.

We should note here that the population projections are based on the UN's "medium level" projections—now considered too low by many demographers and economists.

The difference between the average of 222 kilograms of grain available per person in the less developed regions and the 880 kilograms in North America is the difference between an economy in which nearly all grain is needed for direct human consumption and one which can afford to convert large quantities of grain into meat, milk, and eggs.

Let us make the modest assumption that this 222 kilograms per person will increase 10 percent to 244 kilograms by 1980 and another 10 percent, to 266, by the end of the century. In terms of production requirements, this means an increase from the present 433 million metric tons to 730 million in 1980 and 1,250 million by the year 2000. Output in the less developed regions will have to nearly triple over the next four decades; the increase alone will be about what the entire world produces today.

Most of this additional output must come from raising yields. To further assess the magnitude of the effort required, we can estimate how much fertilizer it would take to achieve these gains in output.

Using a standard rule of thumb for estimating the response of grain to fertilizer, Asia—currently using 3 million metric tons of fertilizer a year (in terms of plant nutrients)—would need 27 million by 1980, or nearly as much as current consumption in the whole world. By the end of the century, Asia would need 68 million tons. In Africa, fertilizer consumption would need to go from today's 1 million tons to 3 million by 1980 and 7 million by 2000. For Latin America, now using 1 million tons, fertilizer requirements would go to 4 million and 10 million tons respectively.

The problems we face

The record of agriculture in the less developed regions over the last quarter century is not encouraging; for these regions as a whole, food output per person has actually declined. At this point we may ask the question, "Why have not the less developed regions been able to raise per capita output over the past 25 years?"

There is no one reason, no one obstacle. Rather, there are many. One very serious problem has been the lack of a tropical agricultural technology. The technological revolution in agriculture began at about the same time and in the same place as the industrial revolution—in northwestern Europe. Emigrants leaving that area and settling in temperate regions such as North America, Australia, and New Zealand were able to apply their knowledge of advanced agricultural techniques to considerable advantage and with only minor modifications.

But most of the less developed countries are in tropical and subtropical regions, and for them the direct borrowing of agricultural technology is not possible. Individual farmers lack the technical and financial resources required to do effective research. Collective action is required, and in developing countries only government can provide this.

Yet the lack of emphasis on agriculture by governments and planning bodies in the less developed regions is another problem. If the magnitude of the effort is measured by the need, efforts in agriculture have been grossly inadequate.

Several factors account for this inadequacy. One of these is the strong competition throughout the underdeveloped economy for the limited available resources. Another is the view prevailing in underdeveloped countries that progress means expanding the industrial sector. There seems to be little appreciation of the relationship between a viable, progressive agriculture and a progressive economy. The importance of this relationship is strongly supported by the fact that virtually every advanced country has first had an improving agriculture. Also, agriculture lacks status in most underdeveloped countries, and most young people fortunate enough to attain a higher education will not elect to work on the farm.

As new land becomes increasingly scarce and as larger needs can only be met by raising yields, there will come a point when cost per unit of food begins to rise. Japan, one of the world's most densely populated countries, produces rice at a cost three to four times as high as in some other countries less densely populated. What will happen when countries less advanced and lacking in Japan's broad educational base and highly productive industrial sector face a similar population-land relationship?

Asia must now rely almost entirely on rising yields for additional food; Africa and Latin America, though still able to add some new land, are becoming increasingly dependent on yields for additions to current output. The necessity of making this transition is not generally realized. And even where it is, the difficulties involved are not sufficiently appreciated.

Raising yields implies many things. It implies a change in technology; it implies greater capital inputs per acre. The

(Continued on page 16)

Looking Ahead to 1965-75 at

The AGRICULTURAL TRADE of the PHILIPPINES

A recent study* of the Philippine Republic's economy predicts substantial growth for this island nation. By 1965 its gross domestic product is expected to reach $7.1 billion, and by 1975 it should total $12.3 billion. During this same period, population would increase to over 32 million in 1965 and to 41 million a decade later.

This growth will have an important impact on the Republic's import requirements as well as on its ability to import. It also brings into focus some major implications for the agricultural trade between the Philippines and the United States.

By 1975 Philippine imports of selected agricultural commodities from the United States are expected to show a net increase of $25.3 million over the 1955-57 average of $44.5 million. Not all products, however, will gain. Raw cotton, wheat, dairy products, and cotton will advance, but offsetting these will be lower purchases of leaf tobacco, meat and meat products, shelled corn, and milled rice. Cotton textiles and cigarettes will probably drop too.

What the U.S. share in this market will be is not so easy to foresee. Ever since 1909 close commercial relations have existed between the two countries as a result of the preferential treatment accorded the United States. Legislation enacted in 1955 diminished this preferential trade, and the new and relatively more restrictive measures adopted by the Philippine Government should cut into it further.

Certainly the United States in the future will face greater competition. In the case of wheat, Canada and Australia are expected to be strong competitors. Australia, Argentina, and perhaps Brazil can be expected to increase competitive pressure for the Philippine market for meat and meat products. Also seen is greater competition from Mexico and several other countries for the raw cotton market, and from New Zealand, the Netherlands, and Denmark for dairy products. And if the Western European countries boost their purchases of Philippine products, Philippine agricultural imports from Europe may increase.

There is, however a bright side to the U.S.-Philippine trade picture. Since 1954, U.S. agricultural exports to the Philippines under specified government programs have shown a general upward trend, and the biggest share of this trade has been in three agricultural commodities—wheat, raw cotton, and dairy products—for which demand is projected to increase substantially by 1957. But since the country's import capabilities will probably not keep pace with this increased demand, U.S. shipments of the three commodities under U.S. Government-financed programs are likely to continue.

More wheat, less flour

Wheat-growing was introduced into the Philippines during the 17th century, but virtually disappeared when imported flour from America became cheap shortly following the American occupation. Even though some areas would permit commercial production, any output in the foreseeable future is apt to be somewhat negligible. In sharp contrast is flour-milling, which has expanded rapidly and become well established. Likewise, the bakery industry has experienced a sharp upward trend.

Consequently, it is believed that imports of wheat flour will cease entirely by 1965 and that wheat imports will be slightly above the 1960 level of 317,290 metric tons. However, by 1975 total wheat imports are projected to reach 535,300 metric tons, or 60 percent above 1960.

As these shifts from wheat flour to wheat grain are achieved, the United States will lose the rest of its

* *The Philippines: Long-term Projection of Supply and Demand for Selected Agricultural Products, With Implications for U.S. Exports.* ERS-Foreign-58. Available without charge from Office of Management Services, U.S. Department of Agriculture, Washington, D.C. 20250.

Philippine market for wheat flour. But if the U.S. share of Philippine wheat grain imports during the period 1958 through 1961 is maintained, the United States should have an estimated Philippine market of approximately 230,000 metric tons by 1965 and some 400,000 tons by 1975.

Cotton trending upward

Cotton culture has never been more than a minor agricultural activity in the Philippines. Insect infestations and the lack of reasonably priced pesticides make it an unprofitable crop for the farmer. The cotton textile industry, though, has been established on a relatively large scale. In 1961 some 461,476 spindles were reported in operation as against 68,370 in 1956. The current figure represents more spindles than are needed; however, by 1975 a projected 626,000 will be required.

Because of the size of the country's textile industry, imports of cotton products are expected to decline by more than 30 percent during the years 1960-65, ceasing entirely by 1975. Raw cotton imports, however, are projected to increase rapidly and by 1975 be more than double the 1960 level.

This shift points to an increase in Philippine imports of U.S. cotton, which since 1955 have been substantially greater than imports of cotton products. Current indications are that, in value terms, the U.S. share of Philippine cotton imports may advance from a 1955-57 average of 65 percent to close to 95 percent by 1975. In volume, this would mean 62,000 metric tons compared with 30,262 tons in 1960.

Prospects for dairy products

Despite the large demand for milk and dairy products, it is estimated that only 4 percent of consumption comes from domestic Philippine production. A high percentage of Philippine dairy imports is in the form of canned, evaporated, and condensed milk. In recent years, imports of nonfat dry milk increased substantially as a result of domestic manufacture of canned filled milk.

Historically, dried and canned milk have constituted the greater part of U.S. dairy exports to the Philippines; on a value basis they made up nearly 80 percent of total U.S. dairy shipments during the 3-year period of 1959-61. During this same period around 66 percent of the dried and canned milk exported to the Philippines was represented by cash sales. On an individual basis, however, 80 percent of the dried milk shipments moved under U.S. Government programs, while nearly 99 percent of the canned milk moved as cash sales.

The U.S. share of the Philippine import market for milk and dairy products has been declining, but is expected to stabilize at around 60 percent of the trade. (The major U.S. competitor has been the Netherlands, followed by Australia and Switzerland.) On a value basis, this would mean that by 1965 Philippine dairy imports from the United States would total some $15 million, and that by 1975 they would climb to around $24 million.

Tallow to gain

Tallow is not produced in the Philippines in any significant amount; furthermore, the small numbers of cattle and sheep indicate that there is little prospect of this commodity increasing substantially in the near future.

Tallow imports, largely in the form of inedible tallow, have shown a steady upward trend in recent years; in fact, total imports during 1960 were more than treble the 1950 volume. During the 1965-75 period, the requirements for tallow must be met largely by imports.

Since 1955, shipments from the United States have constituted about 99 percent of all tallow imports. Although small quantities are purchased from Australia, Great Britain, Japan, and several other countries, it is believed that the United States will retain at least 95 percent of total tallow imports for both 1965 and 1975. On this basis, the United States can expect to have a market of about 7,500 metric tons by 1965 and 9,747 tons by 1975. The 1975 figure represents an increase of nearly 50 percent over the 1960 tallow imports from the United States.

Some products to drop off

In the years ahead some agricultural imports from the United States will suffer. Tobacco is one of them. Currently two kinds of tobacco are being grown in the Philippines—native cigar filler and flue-cured Virginia tobacco—and output of both is increasing, the Virginia leaf much more rapidly than the native filler. The Virginia cigarette manufacturing industry has grown along with domestic production of this type of leaf.

In 1950, Philippine imports of tobacco and tobacco products totaled slightly over $11.5 million, and practically all came from the United States. Ten years later these had dropped to $50,000. Now the projection is for no imports of tobacco and tobacco products in either 1965 or 1975, except for some special types to satisfy local demand. Thus, it appears that the United States will lose most of the substantial tobacco market it has historically had in the Philippines.

Traditionally, Philippine imports of livestock for slaughter have originated from sources other than the United States, and this pattern is expected to continue. In the case of meat and meat products, the U.S. share declined rapidly between 1951 and 1961 to the point where it represented only 3 percent of the country's total meat imports. Because of the highly favorable export position of Australia and New Zealand, the United States cannot hope to improve its position to any degree during 1965-75.

Until recently, corn had been a relatively minor crop in the Philippines; then between 1950 and 1960, the annual harvest almost tripled, reaching a level of 1,165 metric tons. During this 10-year period the country's corn imports were limited; still nearly all of them came from the United States. The 1965 picture shows the Philippines as self-sufficient in corn, with no imports anticipated either for that year or for 1975.

Rice accounts for about 40 percent of the total agricultural production of the Philippines. Acreage has expanded in recent years, and government programs leading to increase yields are expected to show results soon.

During the past decade annual rice imports have varied from negligible quantities in some years to a high of 230,700 metric tons in 1958, a year when the United States supplied a share of the rice imported. Barring abnormal weather conditions which would wipe out stock additions and small stockpiles, no imports of rice are anticipated for 1965 and 1975. At best, the United States can look for a restricted market, since there will probably be a small demand for rice of U.S. quality, and especially for processed rice.

World Trade in Rice Increases Once Again

Following a 3-year slump, world trade in rice appears to be moving upward again. According to preliminary estimates, world exports of rice in 1963 were approximately 10 percent above the reduced levels of the preceding 2 years—6,280,00 tons in 1962 and 6,190,000 in 1961. And for the first time since 1960, they exceeded the 1956-60 average of 6.7 million metric tons (milled basis).

Responsible for this rise were larger shipments by the big Asian exporters, Egypt, and the United States. Grains in these areas offset a 5-percent decline in shipments from Europe and a decrease in those from Western Hemisphere nations other than the United States.

The 1963 exports by Asia's "rice bowl" countries are estimated at over 3.5 million metric tons compared with 3.2 million in 1962. Burma's shipments were down slightly —to 1.7 million tons compared with 1,723,000 in 1962— but Thailand, South Vietnam, and Cambodia all recorded gains over 1962. Thai exports (including glutinous rice to Laos) were approximately 1.4 million tons, compared with 1,284,000 (revised) in 1962 and 1,567,000 in 1961. South Vietnam and Cambodia had sharp increases; their combined total for 1963 was 500,000 tons—more than double the 212,000 in 1962.

U.S. shipments of rice in 1963 reached a new record of about 1.1 million metric tons compared with 1,050,000 in 1962 and the 1956-60 average of 800,000. Supplies came mainly from the larger production of 1962, which was brought about by higher yields per acre. The United States ranks high as an exporter; in both 1961 and 1962 it was the world's third largest.

Most striking gain was in Egypt, which exported a record 400,000 tons; its 1962 shipments were only 147,000 and the 1956-60 average, 246,000. This rise resulted from a 54-percent jump in acreage along with increased yields. The upward trend in Egyptian rice output is expected to continue, though exports are now limited to 400,000 tons a year.

This improved position will very likely be maintained through 1964, with world exportable supplies approaching the 1963 level. Except for Burma and possibly Communist China, the principal exporters have larger than usual carryover stocks. Their increased exports will probably offset a reduction in shipments by Burma, which, because of bad weather, had a poor crop in 1963-64.

Thailand, the United States, Egypt, and Taiwan all had bigger carryover stocks at the beginning of this year. Cambodia had a large 1963-64 production, but transportation difficulties within that country could hamper marketing of the crop.

World demand in 1964 continues as active as in 1963. Indonesia, Malaysia, Ceylon, India, the Philippine Republic. and Japan are all signing contracts for quantities approximating, or exceeding, those of 1962.

Indonesia, the largest importer, will need at least the equivalent of its 1960-62 average of over 1 million tons, and Malaysia—the second largest importer—may need more because of a decline in production. According to the 1960-62 average of combined imports by Malaysian members, this area requires over 700,000 tons of rice annually.

The Philippine Republic is taking more rice, and some of the major importers may increase their takings to meet the demands of expanding populations.

India's Economic Development Program Lags Behind Target

As India approaches the midway point of its third Five-Year Plan (April 1961-March 1966), an appraisal of the gains so far make it appear extremely doubtful that the country can attain its major industrial and agricultural goals. This outlook in large measure stems from what has been happening in India's agriculture.

The U.S. Department of Agriculture indexes (1952-54 = 100) show that a static condition has prevailed in agriculture. In 1963 the agricultural production index was up only 1 percent from 1962, while that for food alone remained at 128, the same as the previous year. Last year also saw per capita agricultural production decline 1 percent, and per capita food output drop off 2 percent.

In recent months the central government has tried to inject renewed vigor into agricultural output. It has urged all State governments to defer some of the long-term measures for agricultural development, and also to cut down as far as possible the expenditure of funds for buildings. The savings are to be diverted to high-priority projects designed to increase farm production over a short period. In addition, the central government has noticeably strengthened farm price support programs.

Foodgrain output in 1963 was down 3 percent from the record level of 1961, and 1 percent below the 1962 level. Even though rice output for last year was estimated as up moderately from that of 1962, supplies continued to be short; also, rice prices are rising despite the arrival of the new autumn rice crop. Foodgrain production as a whole was about 77.5 million tons in 1962-63, compared with 79.7 million in both the preceding years.

Some progress was made in carrying out the country's major agricultural development programs. Minor irrigation schemes added about 4 million acres to the total of irrigated land; this was 54 percent of the Plan's target. With regard to larger irrigation projects, the additional potential created in the first 2 years of the Plan is estimated at 2.1 million acres, and the utilization at slightly over 2 million.

The area under improved seeds increased by about 12 million acres in 1961-62 and an additional 14 million in 1962-63. The Plan envisages an increase from 55 million acres to 203 million. It also foresees a big increase in use of fertilizers; but progress so far has been limited.

The Third Plan calls for a yearly 14-percent increase in industrial production. Although the rate of increase in the last 3 years has been considerably less than this target, it did advance from 6.4 percent in the financial year ending March 1962 to 8 percent in the year ending March 1963. Shortage of foreign exchange and scarcity of imported raw materials and parts remain restrictions on expanding industrial output.

U.S. Improves Wheat Standards To Gain Back Its Share of World Dollar Market for Wheat

Major revision of the official U.S. grain standards for wheat, announced recently by Secretary of Agriculture Orville L. Freeman, is seen as the most significant step toward improving the competitive position of U.S. wheat in world markets since 1917, when the original standards were set up. They were last amended in 1957.

The new standards—to become effective May 1—generally will mean less foreign matter and dockage (nonmillable material) in American wheat than in the past. Quality factors of weight, soundness and cleanness can now be more readily and precisely measured.

In announcing the changes, Secretary Freeman said: "The evidence is impressive that present U.S. grade standards are no longer adequate in view of the competitive situation in world markets, or in view of advances in the technology of handling wheat."

According to the Secretary, "A study made during 1959 to 1961 of European wheat imports showed the total foreign material and shrunken and broken kernels in U.S. wheat was more than double that of wheat from Canada, Russia, Argentina, or Australia. Last year a study team of government and trade experts found that U.S. wheat was at a competitive disadvantage in European markets.

"Between 1951 and 1961, the U.S. share of the world dollar market for wheat declined from 35 percent to less than 19 percent. U.S. dollar exports of wheat remained constant, but the total volume of trade has increased," he said.

(Though the United States tops all countries in volume of wheat exported, Canada's dollar sales are at least 50 percent greater. Last year Australia's dollar sales also surpassed those of the United States.)

The Secretary went on to say that "if the United States is to export wheat—and wheat is historically an important earner of foreign exchange—then we must make up our minds that our wheat must be at least of comparable quality to that of other exporters. The new wheat grades are a step in this direction."

Secretary Freeman noted that the changes in grade standards were made only after conferences with wheat industry representatives, a study of competitive conditions in world markets by a joint government and industry team, and a series of four public hearings in October. Interested persons and organizations were also given the opportunity to submit written views and comments on the proposed revisions.

As a result of this comprehensive review, these principal changes in wheat standards are being made:

For the first time, maximum limits are set for "total defects"—damaged kernels, foreign material, and shrunken and broken kernels. The change sets limits for total defects in grade No. 1 at 3 percent, in grade No. 2 at 5 percent.

Limits for shrunken and broken kernels are lowered from 5 to 3 percent for grade No. 1. Limits are set at 12 percent for grade No. 4 and 20 percent for Grade No. 5.

Minimum moisture content for wheat graded "tough" is reduced from 14 or 14.5 percent (depending on the class) to 13.5 percent for all classes. The change also eliminates moisture as a factor in determining sample grade.

"Dockage"—while not a grade determining factor—will be recorded on inspection certificates in half percent, whole percent, or whole and half percent, with other fractions reduced to the nearest whole or half. At present, dockage is recorded as a whole percent when equal to 1 percent or more.

Percentages of White Club Wheat and Common White Wheat in the subclass Western White Wheat are to be stated on inspection certificates.

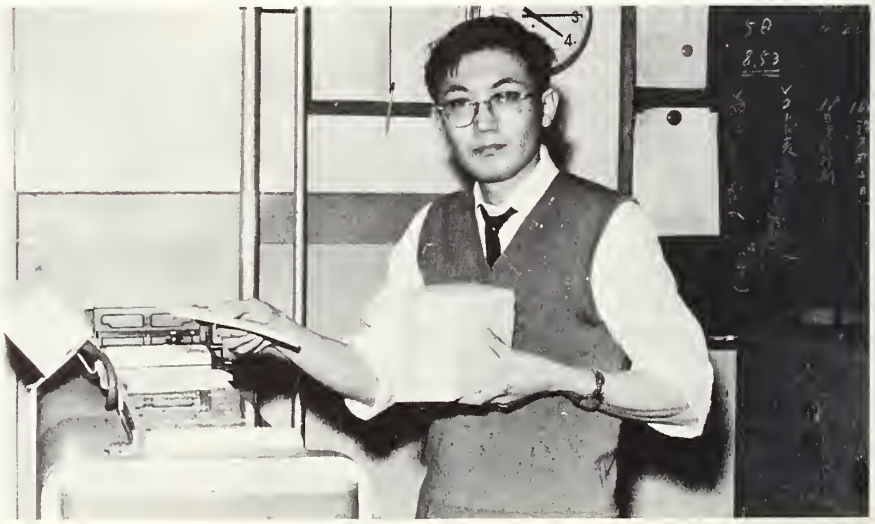
During a transitional period following May 1, grain inspectors will on request show the grade of wheat under the old as well as the new standards.

For more details write the Grain Division, Agricultural Marketing Service, USDA, Washington, D.C. 20250.

Bread Found More Popular in City than Country in Japan

Preliminary findings in an extensive survey of Japanese eating habits now being undertaken by Wheat Associates show slightly over half of those living in urban areas eat bread at least one meal a day, compared with only one-fifth of those in the country.

Final results of a study—being conducted by Japan's Research Institute of Agricultural Marketing, whose chief, Dr. Hiroshi Mori, is shown below—will be announced in a few months. They will serve to guide future market development programs carried on in Japan by Wheat Associates in cooperation with FAS.



Peanut Industry Surveys European Market for U.S. Peanut Products

Representatives of the U.S. peanut industry this month will begin the second part of a foreign market survey which is expected to point the way to the first sizable exports of U.S. edible peanuts and peanut products to the United Kingdom and Western Europe.

Chief task before the commission is to determine the best methods of introducing and promoting sales of peanuts and peanut products in the European market. Data are also being gathered on tariff and trade restrictions, food distribution systems, eating habits, merchandising techniques, and potential competition. To gauge immediate trade prospects, the survey team will be accompanied by industry representatives who will attempt to make initial sales.

If this survey confirms the high interest in U.S. peanut products shown at the November U.S. Food and Agriculture Exhibition in Amsterdam, the U.S. peanut industry may move to launch an overseas market development program with FAS assistance. The peanut industry's exhibit at the Amsterdam Fair was the first industry-wide effort to promote American peanuts overseas. Twenty-three U.S. manufacturers contributed peanut products to the demonstrations.

The report on the Netherlands promotion said: "Interest in U.S. peanut products was such that stocks sold out during the first few days in the Exhibition's self-service food market. At the peanut demonstration booth, visitors repeatedly asked where they could buy U.S. peanut products in retail stores. This reception—plus the price and quality of U.S. peanuts—would indicate a ready market in Europe." The report added, however, that "the market would not come easily, that it would be the result of hard work and years of joint effort by the entire U.S. peanut industry and government representatives."

Because the emphasis in Europe has been on producing peanut oil and meal, manufacturing techniques for edible peanut products have been slow to develop. In West Germany for example, peanut butter is virtually unknown. In the few countries where available, the product leaves much to be desired in flavor and shelf life.

The best immediate demand for all types of peanut products appears to be in England and the Netherlands, for roasting and salted peanuts in Germany, and for salted peanuts in Italy. The last two countries also offer a good potential for peanut butter, but—because of the novelty of the product—the market will develop slowly. Scandinavia, Switzerland, Belgium, France, and Ireland promise to be markets if the U.S. peanut industry undertakes active market promotion in these countries.

In addition, a recent development in the United States will encourage peanut products exports. For the first time the USDA has decided to permit the sale of U.S. peanuts from CCC stocks on a competitive basis for processing into peanut butter, roasted, and salted peanuts, which may be exported by the manufacturer.

The United States, as the world's largest producer of edible peanuts, has considerable stocks available for export. If Europe's yearly consumption of peanut butter, salted, and roasted peanuts were to double, the United States could supply this demand from its average annual output of peanuts.

U.S. Livestock Experts Judge Latin American Purebred Stock

Three American livestock breeders were among the judges for beef and dairy breeds at the 3rd Livestock Exposition of the Central American Isthmus held Jan. 26-Feb. 2 in Managua, Nicaragua. Periodic appraisal of breeding stock conformation is part of the area's effort to upgrade its livestock.

Louis Gilbreath of Florida judged Brahman and other beef breeds, Frank Leigh, official of the Santa Gertrudis Breeders International, was judge for this breed, and Norman E. Magnussen of Wisconsin for Brown Swiss dairy cattle.

Mr. Leigh has now gone on to Guatemala, Honduras, Jamaica, and Colombia to judge and classify purebred beef breeds, as part of a market development project for U.S. livestock in Latin America. He will complete his work at the Valencia Livestock Show which will be held in Venezuela in early March of this year.

Tunisia Gets Petroleum In $8.5 Million Barter

Just negotiated by FAS's Office of Barter and Stockpiling is the largest single barter transaction since February 13, 1963, involving the exchange of U.S. agricultural commodities for items procured abroad by a U.S. Government agency.

This was the date when, to conserve foreign exchange, a revision in the Barter program put fresh emphasis on government agencies making overseas purchases whenever possible with CCC commodities under barter arrangements instead of with dollars.

Under the new transaction, AID (Agency for International Development) will supply Tunisia with $8.5 million of petroleum products paid for by U.S. farm products, for which AID reimburses the USDA. Thus, AID objectives are achieved without dollars leaving this country. A similar agreement under the Barter program, recently signed, will supply Laos with $1 million worth of petroleum products.

U.S. Exhibit at Berlin Green Week Fair Drew Big Crowds

Thousands of West Germans—headed on opening day, January 24, by President Heinrich Luebke, Berlin Mayor Willi Brandt, and German Agriculture Minister Werner Schwarz—visited the U.S. Exhibit at the Berlin Agricultural Fair (Green Week) which ended February 2. More than 461,000 people are estimated to have visited the U.S. pavilion during the Fair.

Special attractions were U.S. frozen food displays and the Kiddie Kitchen demonstrations. The Western Barbecue Restaurant with frozen barbecued American foods and the Microwave Frozen Food Restaurant drew many trade inquiries. The USDA films "Bounty without Boundaries" and "Miracles of Agriculture" were shown every 45 minutes to full houses.

Sampling and selling of poultry, fruit juice, fish and bakery goods were 30 percent higher than at the previous year's Fair. Press, television, and radio coverage was also considerably heavier.

U.S. Foods Highlighted at London's Hotelympia Exhibition and at Tokyo's World Cheese Fair

On the same day—some 11,000 air miles apart—U.S. foods went on display in two important exhibitions. In London, nine U.S. commodity groups participated in the Hotelympia Exhibition, January 21-30, while across the world in Tokyo, seven brands of U.S. cheese were displayed at the 6th World Cheese Fair, January 21-26. The U.S. cheese exhibit is now being seen in five other major cities in Japan.

This is the first time U.S. foods and wines have been displayed in the big annual Hotelympia Exhibition. Here, representatives of the nine U.S. commodity organizations talked business with leaders in the hotel and catering industries, and institutional buyers. A key attraction was the work of two top U.S. chefs, preparing American dishes from lard, prunes, raisins, citrus fruits, poultry, rice, cranberries, soybeans and wines.

At Tokyo, the United States was one of nine countries exhibiting. Held at Mitsukoshi department store, largest in Tokyo, the 5-day show attracted about 50,000 people. They were able to see and taste 41 U.S. cheese items. Important among these was American pizza now being made in Japan from Wisconsin mozzarella.

Above, Japanese children at World Cheese Fair. Below are some of the 41 U.S. cheese items exhibited there.

Below, FAS Asst. Administrator W. A. Minor (ctr.) and U.S. Agricultural Attachés Joe Dodson (l.) and D. R. Strobel inspect U.S. cheese exhibit. Londoners taste U.S. chef's soya oil mayonnaise (l.) and see U.S. wines (above l.)

USSR Makes Long-Term Deal for Cuban Sugar

The Soviet Union and Cuba recently announced the signature of a new long-term agreement which calls for a substantial increase in Soviet imports of Cuban raw sugar during the remainder of this decade. Quantities are as follows:

	Million metric tons
1965	2.1
1966	3.0
1967	4.0
1968	5.0
1969	5.0
1970	5.0

The price per pound was set at 6 cents, which is 4.84 cents below the present world price of 10.84 cents. In announcing the agreement, Soviet Premier Khrushchev remarked that it would safeguard the Cuban economy against the unfavorable effects of fluctuations in world sugar prices.

1964 Global Sugar Quota Filled

The U.S. Department of Agriculture announced on January 21 that 1 million tons of global quota sugar has been subscribed for importation in 1964. The global quota is the imports needed by the United States in addition to those under the basic country quotas; it is allocated on a first-come first-serve basis. The Department also announced that 163,000 tons of the 186,000-ton deficit reallocation—mainly the result of a shortfall in Puerto Rico—has been prorated and subscribed.

Of the total 1,163,000 tons, about 56 percent is scheduled to arrive in the United States during the first 7 months of the year; 37 percent, by October 31, and 7 percent, at any time during the year.

New Sugarmills for Sao Paulo

A call for bids covering the construction and equipping of nine new sugarmills in São Paulo State, Brazil, was issued on January 2, 1964. These mills are scheduled to have a total annual production capacity of nearly 250,000 short tons. This project is part of a countrywide program to increase milling capacity by approximately 1 million short tons.

U.S. Imports of Cordage Fibers Down

The United States imported 51,725 long tons of sisal and 13,720 of henequen in the first 9 months of 1963, compared with 63,456 and 22,700, respectively, in the same period of 1962. This country depends entirely on imports for its natural cordage fibers.

Tanganyika, Kenya, and Uganda furnished about a third of the sisal and Brazil, another third, while Mexico supplies all the henequen. Henequen is used mostly in binder and baler twines; sisal, in a wide range of cordage—from small twines to large cables.

The price of sisal was high throughout 1963, generally trending upward. Last year, the average price of East African No. 1, landed New York, was 18.3 cents a pound—the highest in 10 years and nearly double the postwar low of 9.4 cents in 1957.

A synthetic baler twine was recently introduced in the American market at a price comparable with that of sisal twine and at a weight of about half that of the natural fiber twine. Nylon ropes have been competing with natural fiber cordage in special uses—such as boat and yacht cordage—for some years, but the initial price has been somewhat higher.

UNITED STATES: SISAL AND HENEQUEN IMPORTS, JANUARY-SEPTEMBER, 1962 AND 1963

Fiber and countries of origin	January-September 1962		1963	
	Long tons	*1,000 U.S. dol.*	*Long tons*	*1,000 U.S. dol.*
Sisal:				
British East Africa	21,597	4,117	17,010	4,163
Other Africa	9,287	1,860	6,547	1,749
Brazil	23,958	3,830	18,402	4,160
Other countries	8,614	1,512	9,766	2,541
Total sisal	63,456	11,319	51,725	12,613
Henequen: Mexico	22,700	3,528	13,720	2,325

Compiled from official data of the Department of Commerce.

Zanzibar's Clove Crop Larger

Zanzibar's 1963-64 clove crop is estimated at 15,000 long tons, compared with the off-year 1962-63 outturn of 5,767 tons. A portion of this year's crop is not expected to be harvested, owing to the new labor policy restricting the importation of laborers from the mainland. However, as the Clove Growers Association already has large inventories on hand, the reduced picking will not affect world supplies. Stocks at the end of the 1962-63 season totaled over 23,000 tons, but an estimated 10,000 tons has been slated for destruction to make storage facilities available for the new crop under harvest.

The clove areas are in the north and west of Zanzibar and in the western half of Pemba, with Pemba accounting for about 80 percent of the output. Over three-fourths of the cloves entering into world trade are from Zanzibar and Pemba.

Netherlands Encourages Sugar Culture

The Government of the Netherlands is encouraging an expansion in that country's production of sugar beets. Reasons given for this action are the strong rise of the international sugar market which has stimulated increased self-sufficiency, and the partly idle capacity of sugar factories, caused by the decrease in area planted to sugar beets since 1961. Holland's factories could produce enough sugar for all domestic needs, if beet acreage were increased. Present acreage is about 175,000 acres, and the factories are not working to full capacity.

The 1964 target area for production has been set at 216,000 acres. Prices to growers have been fixed for the season beginning October 1 at a substantial increase over 1963. The Netherlands has been producing almost 500,000 short tons of sugar per year and importing about 150,000.

Canadian Cotton Consumption Continues Strong

Canadian cotton consumption, indicated by the number of bales opened by mills, was 37,091 bales (480 pounds net) in December 1963 compared with 36,585 in November and 29,395 in December 1962.

Consumption during the first 5 months (August-December) of the current season amounted to 186,000 bales. This is 13 percent above the 164,000 bales opened in the same period of 1962-63, and well above average consumption of 155,000 bales in the first 5 months of the past 5 years.

Greek Dried Fig Pack Above Average

Greece's 1963 production of dried figs is estimated at 32,000 short tons. This is above the 1962 pack and also above the 1956-60 average—both 28,000 tons.

Favorable weather prevailed during the 1963 growing season and during drying, with the result that the pack was above average in both size and texture. Insect and disease attacks were reported to have been limited.

Greek exports of dried figs during the 1962-63 marketing year totaled 14,780 tons; there were no shipments of fig paste. Fig exports during the 1963-64 season may total 16,500 tons; through December 31, 1963, about 12,700 tons had been exported. Fig paste shipments during 1963-64 are expected to be in the neighborhood of 500 tons, of which about 100 have already been shipped to the United States. Fig paste prices are reported to be 8.50 to 8.75 cents per pound c.&f. New York. U.S. Food and Drug rejections of Greek fig paste are reported to be very low. Approximately 2,200 tons of dried figs were shipped to the United States during the early part of 1963-64. Prices obtained for the dried figs were reported at 13 cents per pound c.&f. New York, comparing favorably with the 1962 price range of 11.0-12.5 cents.

DRIED FIGS: GREECE, SUPPLY AND DISTRIBUTION AVERAGE 1956-60, ANNUAL 1961-63 MARKETING SEASONS

	Average 1956-60	1961	1962	Estimated 1963
	Short tons	*Short tons*	*Short tons*	*Short tons*
Beginning stocks	——	——	——	——
Production	28,000	31,000	28,000	32,000
Total supply	28,000	31,000	28,000	32,000
Exports	15,500	16,700	14,800	16,500
Domestic disappearance [1]	12,500	14,300	13,200	15,500
Ending stocks	——	——	——	——
Total distribution	28,000	31,000	28,000	32,000

[1] Derived figures; used largely for alcohol production. Annual domestic consumption of dried figs for edible purposes is estimated at 2,200 to 2,800 short tons.

Iranian Raisin Prices Increase

According to Bank Melli, Iran, the wholesale price of raisins in November 1963 ranged from 10.9 to 11.4 cents per pound. This is substantially above the 7.6-7.8 cents quoted for the same period in 1962. Smaller exportable supplies in competing countries are cited as the main cause of the higher prices.

Iran is expected to export about 45,000 short tons of raisins in 1963-64 compared with 34,000 a year ago and 42,000 in 1961-62. This estimate is based on the following factors: Decreased competition, a government subsidy paid on exports, and a reduced EEC tariff on raisins.

IRAN: RAISINS, SUPPLY AND DISTRIBUTION, CROP YEARS 1961-63

Item	1961	1962 [1]	1963 [2]
	Short tons	*Short tons*	*Short tons*
Beginning stocks	[3]	2,000	1,000
Produuction	68,000	55,000	65,000
Total supply	68,000	57,000	66,000
Exports	42,000	34,000	45,000
Domestic disappearance	24,000	22,000	20,000
Ending stocks	2,000	1,000	1,000
Total distribution	68,000	57,000	66,000

[1] Preliminary. [2] Forecast. [3] Negligible.

Canned Fruit and Juice Prices in Hamburg

Importers' selling prices in Hamburg, Germany, for selected canned fruits and juices in January 1963, September 1963, and January 1964 are compared as follows:

Type and quality	Type of can	Price per dozen units January 1963	September 1963	January 1964	Origin
CANNED FRUIT		*U.S. dol.*	*U.S. dol.*	*U.S. dol.*	
Apricots:					
Halves, choice	2½	[1]	3.24	3.36	Czecho.
Halves, choice	2½	3.87	3.84	3.84	Greece
Halves, choice	2½	3.69	3.75	3.78	S. Africa
Halves, choice	2½	3.72	3.50	3.42	Spain
Peaches:					
Halves, choice	2½	3.90	4.32	4.50	U.S.
Halves, choice, heavy syrup	10	[1]	14.85	16.95	U.S.
Halves, choice	10	[1]	13.47	12.72	S. Africa
Pears:					
Halves, choice	2½	3.99	[1]	3.75	Argentina
Halves, choice	2½	4.14	4.20	4.20	Australia
Halves, choice	2½	4.48	4.17	4.17	Italy
Halves, choice	2½	4.02	3.75	[1]	Netherlands
Fruit salad:					
Choice	15 oz.	[1]	2.94	2.55	Spain
Choice	15 oz.	[1]	3.30	3.30	Japan
Choice	2½	[1]	7.77	8.04	U.S.
Fruit cocktail:					
Choice	2½	4.39	5.19	5.34	U.S.
Pineapple:					
Slices, fancy	2½	4.54	4.50	4.77	U.S.
Slices, choice	2½	3.68	3.85	3.75	Philippines
Slices, choice	2½	4.00	3.88	3.99	U.S.
Slices, choice	2½	3.51	3.48	3.48	S. Africa
Slices, choice	1 tall	2.15	2.14	2.80	Malaya
Slices, choice	10	[1]	13.95	13.80	S. Africa
Slices, choice	10	13.65	13.77	13.80	Kenya
Crushed, choice	10	8.13	8.52	8.28	S. Africa
Crushed, choice	10	8.55	8.94	8.61	Taiwan
Crushed, fancy	10	11.94	12.15	12.90	U.S.
CANNED JUICES					
Orange juice:					
Unsweetened	2	[1]	2.10	1.98	Greece
Unsweetened	2	2.06	[1]	2.16	Israel
Unsweetened	2	[1]	[1]	2.01	S. Africa
Grapefruit:					
Unsweetened	46 oz.	3.45	5.58	5.58	U.S.
Unsweetened	2	[1]	2.13	2.13	Trinidad
Unsweetened	2	[1]	2.01	2.13	S. Africa
Pineaple:					
Choice	46 oz.	3.39	3.57	3.72	U.S.
Choice	2	1.66	1.57	1.62	U.S.
Choice	2	1.63	1.64	1.64	S. Africa

[1] Not quoted.

Italian Dried Fig Pack Larger in 1963

The 1963 commercial pack of dried figs in Italy is estimated at 34,000 short tons, a slight increase over the 33,000-ton 1962 crop but well below the 40,000-ton 1961 pack. Average 1956-60 production was 44,000 tons. Italy's commercial production is centered in the Provinces of Puglia, Calabria, and Campania.

Italian exports of dried figs during the 1962 season—at 3,170 tons—decreased from the 3,566 tons of 1961. About half of the 1962 volume went to France while less than a quarter went to Austria—usually the major purchaser.

DRIED FIGS: ITALIAN EXPORTS, MARKETING SEASON BEGINNING SEPTEMBER, 1960-62

Country	1960	1961	1962
	Short tons	*Short tons*	*Short tons*
Austria	1,411	1,419	951
France	1,273	968	1,574
United States	382	428	262
Others	554	751	583
Total	3,620	3,566	3,170

Australian Canned Fruit Prices Increase

Prices for the 1964 Australian canned fruit pack will be above those of the previous year.

As announced by the London trade press, 1964 minimum opening prices (c.i.f. U.K. ports) increased for all canned fruit items except freestone peaches. Fruit cocktail prices are reported to be up 21 cents per dozen 2½'s; canned clingstone peaches and "two fruit," 14 cents; and canned apricots and pears, 7 cents.

AUSTRALIA: OPENING MINIMUM EXPORT PRICES FOR CANNED FRUITS

Species and pack style	Price c.i.f. London, per dozen 2½'s		
	Fancy	Choice	Standard
	U.S. dol.	*U.S. dol.*	*U.S. dol.*
Apricots, halves:			
1964	3.36	3.15	3.01
1963	3.29	3.08	2.94
1962	3.50	3.29	3.15
Peaches:			
Clingstone, halves and slices:			
1964	3.36	3.15	3.01
1963	3.22	3.01	2.87
1962	3.36	3.15	3.01
Freestone, halves and slices:			
1964	3.01	2.80	2.66
1963	3.01	2.80	2.66
1962	3.12	2.90	2.76
Pears (Bartletts), halves and quarters:			
1964	3.57	3.36	3.22
1963	3.50	3.29	3.15
1962	3.57	3.36	3.22
Fruit cocktail:			
1964	3.99	3.78	3.64
1963	3.78	3.57	3.43
1962	3.92	3.71	3.57
"Two Fruit":			
1964	3.36	3.15	3.01
1963	3.22	3.01	2.87
1962	3.36	3.15	3.01

Iranian Date Pack Up Slightly in 1963-64

Iran's 1963-64 date crop is estimated at about 360,000 short tons, compared with 330,000 tons in each of the 2 preceding years.

Despite expectations for a slight rebuilding of carryover stocks and increasing domestic disappearance, the higher production should allow for a substantial increase in exports. They are expected to reach 38,000 tons in 1963-64, compared with 28,000 tons in both 1961-62 and 1962-63. The United States is a major buyer of Iranian dates.

Iran's Dried Apricot Production Drops Sharply

Owing to an untimely freeze last spring, Iran's production of dried apricots for the crop year 1963 is estimated at only 4,500 short tons. This is less than one-third of the output of each of the 2 preceding years. Both exports and domestic consumption are expected to drop accordingly.

IRAN: DRIED APRICOTS, SUPPLY AND DISTRIBUTION, CROP YEARS, 1961-63

Item	1961	1962[1]	1963[2]
	Short tons	*Short tons*	*Short tons*
Beginning stocks	600	600	500
Production	14,300	14,800	4,500
Total supply	14,900	15,400	5,000
Exports	11,300	11,600	3,300
Domestic disappearance	3,000	3,300	1,100
Ending stocks	600	500	600
Total distribution	14,900	15,400	5,000

[1] Preliminary. [2] Forecast.

The domestic wholesale price of dried apricots in November 1963 ranged from 19.0 to 23.7 cents per pound, according to Bank Melli, Iran. For the same period in 1962, the price ranged from 12.8 to 15.7 cents.

Australia Expects Larger Tobacco Crop

Early season forecasts place the 1964 tobacco harvest in Australia at about 31million pounds, from 29,800 acres. The 1963 harvest totaled 28.4 million pounds, from 28,600 acres.

Most of the increase this season is expected in Victoria, where the planted area is estimated at 10,500 acres, compared with 9,697 last year. A 400-acre increase in Queensland is forecast, with most of the gain in plantings occurring in the Beerwah-Glasshouse Mountains area. Little change in acreage is expected in New South Wales; and in Western Australia, commercial production has been abandoned.

Final results of the auction of the 1963 harvest indicate that the average price received by growers was equivalent to US $1.25 per pound.

Ontario Flue-Cured Prices Steady

The average weekly auction price for the 1963 crop of flue-cured tobacco in Ontario, Canada, has been relatively steady for the past 3 weeks. Average price for the eighth week ending January 17, 1963, was 52.2 Canadian cents per pound, compared with 52.4 for the seventh week and 52.2 for the sixth.

Sales through the eighth week totaled 68.8 million pounds, at an average price of 51.6 Canadian cents per pound (47.7 U.S. cents). Total sales through January 17 represented almost 38 percent of Ontario's estimated 182-million-pound crop.

Cameroon's Tobacco Exports Up

Cameroon's exports of unmanufactured tobacco during the first 6 months of 1963 totaled 2.2 million pounds—up 19 per cent from the 1.8 million shipped abroad in January-June 1962. Breakdown by country of destination is not currently available. The average export price per pound was equivalent to 29.0 U.S. cents, compared with 29.5 cents during January-June 1962.

Cameroon's exports of unmanufactured tobacco during calendar 1962 totaled 2.4 million pounds, most of which

went to France. During the past few years, French takings in excess of the French Monopoly's annual requirements have resulted in auction sales of Cameroonian tobacco in Paris. Such sales totaled 2,871 bales in 1959, 3,786 in 1960, and 6,602 in 1961; buyers included West Germany, Belgium, Denmark, the Netherlands, Italy, Switzerland, and the United Kingdom.

Mozambique's Cigarette Output Rises

Cigarette output in Mozambique turned upward during the first 6 months of 1963 after showing a decline during 1962. Output totaled 1,530,000 pounds—33 percent above the 1,150,000 in January-June 1962.

New Zealand's Butter Exports Up

In the first 9 months of 1963, New Zealand exported 262 million pounds of butter, an increase of 18 million pounds over shipments in the comparable 1962 period. The United Kingdom bought 243 million pounds, or about 93 percent of the total. Among other markets were Jamaica, with 3 million pounds; West Germany and Trinidad, with 2 mililon each; and Peru and the Philippine Republic, with 1 million each.

Shipments of cheese declined approximately 8 percent to 144 million pounds. The United Kingdom accounted for 87 percent of total cheese exports, taking 125 million pounds. Exports to the United States totaled more than 7 million pounds and those to West Germany, 5 million. Other purchasers included Jamaica, Trinidad, and Japan, with about 1 million pounds each.

Nonfat dry milk sales increased 19 percent to 80 million pounds, of which 39 million went to the United Kingdom. The Philippine Republic took 9 million pounds; Malaya, 6 million; Jamaica, Peru, and Japan, 4 million each; and India, 3 million. Smaller quantities went to Pakistan, Singapore, and Fiji.

Chile Sets Export Quotas on Livestock Products

Chile has announced export quotas on several livestock products to assure adequate supplies for domestic consumption. During 1964, exports of cattle hair are limited to 50 metric tons; frozen lamb and mutton from Magallanes, to 3,000; raw sheep skins from Magallanes and Aysen, to 800,000 pieces; salted or pickled sheep skins, to 300,000 pieces; and goat skins, to 70,000 pieces. Exports of all types of cattle hides are prohibited, as are those of sheep skins from central Chile.

Australians Agree on Wool Promotion Funds

The Australian Wool Industry Conference agreed at a meeting held in Canberra on January 7 to an annual maximum Australian contribution of £12.5 million ($28 million) for wool promotion and research. This is an increase of about £8.5 million ($19.1 million) over current expenditures. The new program will be for a 5-year period, but the amount raised by levy and voted to the Australian Wool Board will be decided by the Conference each year.

The Chairman of the Conference, Sir John Crawford, announced after the Conference that the proposals will come into operation with the 1964-65 season. Of the £12.5 million, £11 million will be used for worldwide wool promotion, and the remaining £1.5 million, for research purposes. An increase in the wool promotion levy from growers, equivalent to 27 shillings ($3.04) per bale, will yield £6.75 million. The Commonwealth Government will contribute £4.25 million under its announced decision to match the new promotion funds provided by growers above the current levy of 10 shillings ($1.13) per bale.

Research funds will continue to be levied on the present basis, with the growers contributing £500,000 and the government, £1 million. However, for both the promotion levy and the research levy the Conference strongly recommended that future levies be assessed as a percentage of individual clip returns rather than on the present per-bale basis. It seems likely that the government will agree to this and make the necessary new provision for collection in legislation to be introduced in the near future. A decision on the percentage to be recommended for the 1964-65 season was deferred because of insufficient detailed information on the expected volume and probable price levels for the 1964-65 clip. It is understood that the levy percentage will be further discussed at the next meeting of the Conference in June.

U.K. Prohibits Meat Coloring Agents

The U.K. Ministries of Agriculture and Health have made joint regulations to prohibit the use of several substances that have the effect of maintaining the fresh red color of raw and unprocessed meat. The substances to be prohibited are ascorbic acid, erythorbic acid, nicotinic acid, nicotinamide, and any salt or other derivatives of these.

The Food Standards Committee advised the Government that these preparations could deceive the consumer as to the freshness of the meat and that their use could hide deterioration.

U.K. Kills Hogs for Cholera Control

The U.K. Ministry of Agriculture, Fisheries, and Food has reported that 254,528 hogs were slaughtered in Great Britain under its cholera eradication program in 1963. The slaughter and indemnity program began January 1, 1963.

There were 1,243 reported outbreaks of hog cholera in Great Britain in 1963 compared with 1,874 a year earlier and 1,071 in 1961.

Togo's Palm Kernel Exports Rise

Exports of palm kernels from the Republic of Togo during January-September 1963 totaled 12,033 short tons compared with 11,464 in calendar 1962. Of the total, 9,110 tons were destined for France and 2,261, for the Netherlands.

Japan's Soybean, Safflowerseed Imports at Peak

Japan's imports of U.S. soybeans in 1963, at 48.2 million bushels, set a record. In value—$143.5 million—this was the largest single U.S. agricultural item Japan imported, exceeding both cotton and wheat. Total soybean imports also reached a record; at 56.7 million bushels, they were almost one-fifth more than in 1962.

Safflowerseed made the largest relative gain of any major U.S. agricultural commodity on the Japanese market.

The record 195,823-metric-ton imports—all from the United States—were more than three times the 1962 level and over twice the previous record of 94,811 tons in 1960. Lower prices of safflowerseed, particularly in relation to those of soybeans, encouraged Japanese crushers to buy heavily during much of the year.

JAPAN: SOYBEAN, SAFFLOWERSEED, AND SOYBEAN MEAL IMPORTS, 1962 AND 1963

Commodity and major source	1962		1963	
	Quantity	Value	Quantity	Value
	1,000 metric tons	*Million dollars*	*1,000 metric tons*	*Million dollars*
Soybeans:				
United States	1,125.8	116.0	1,312.3	143.5
Total	1,293.1	132.7	1,544.4	167.9
Safflowerseed:				
United States	63.1	8.0	195.8	22.6
Total	63.2	8.0	195.8	22.6
Soybean cake and meal:				
United States	5.9	.6	3.1	.3
Total	15.8	1.4	3.7	.4

Customs Bureau, Ministry of Finance.

Japan's soybean imports from the United States, which in 1963 were up 16 percent from a year earlier, are expected to increase about 8 percent in 1964. And Japan has concluded an agreement with Communist China to purchase 250,000 tons (9.2 million bu.) from China plus about 50,000 tons (1.8 million bu.) outside the agreement (*Foreign Agriculture*, Feb. 3, 1964). Thus another record year may be in the making for Japanese soybean imports.

JAPAN: SOYBEAN IMPORTS, BY COUNTRY OF ORIGIN, AVERAGE 1955-59, ANNUAL 1960-63

Country of origin	Average 1955-59	1960	1961	1962[1]	1963[1]
	Million bushels	*Million bushels*	*Million bushels*	*Million bushels*	*Million bushels*
United States	25.3	40.1	40.5	41.4	48.2
Brazil	.7	.4	.1	.1	----
China, Mainland	4.8	([2])	1.6	6.1	8.4
Others	.3	1.0	.4	([2])	.1
Total	31.1	41.5	42.6	47.5	56.7

[1] Preliminary. [2] Less than 50,000 bushels.
Computed from unrounded numbers.
Compiled from official sources.

Area planted to soybeans in Japan has declined every year since 1954 and is expected to decline again in 1964. Area and production this year are unofficially estimated at 531,265 acres and 10.4 million bushels compared with 576,730 acres and 11.7 million bushels in 1963.

The liberalization of imports of vegetable oils and soybean meal, tentatively planned for October 1964, may be postponed until April 1965. The Ministry of Agriculture and Forestry proposed the plan several months ago, but the Ministry of Finance has not agreed to it. The government budget for the Japanese fiscal year 1964, beginning April 1, has been based on the continuation of the tariff.

Suez Canal Shipments Rise in November

Northbound shipments of oil-bearing materials through the Suez Canal in November 1963 were 31 percent above those of October (*Foreign Agriculture*, Jan. 20) and 30 percent above those of November 1962.

Total shipments during the first 2 months of the current U.S. marketing year, however, were 17 percent below those of October-November 1962, reflecting the reduced volume of peanuts and cottonseed.

OILBEARING MATERIALS: SUEZ CANAL, NORTHBOUND SHIPMENTS BY KIND, NOV. 1963, WITH COMPARISONS

Item	November		October-November	
	1962	1963	1962-63	1963-64
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
Soybeans[1]	----	510	287	510
Copra	40,359	77,399	141,437	136,254
Peanuts	16,993	9,920	36,452	17,374
Cottonseed	23,719	12,284	46,059	26,197
Flaxseed[2]	3,207	1,595	3,207	4,174
Castorbeans	3,241	11,821	9,851	15,219
Palm nuts and kernels	384	1,236	1,499	2,796
Others	6,995	8,183	23,749	14,404
Total	94,898	122,948	262,541	216,928

[1] 1 metric ton of soybeans equals 36.743333 bu. [2] 1 metric ton of flaxseed equals 39.367857 bu.
Suez Canal Authority, Cairo, Egypt.

Soybean shipments through the Canal continue negligible.

SOYBEANS: SUEZ CANAL, NORTHBOUND SHIPMENTS, OCT., NOV., AND QUARTERLY TOTALS, 1959-63

Month and quarter	Year beginning October 1				
	1959	1960	1961	1962	1963
	1,000 bushels	*1,000 bushels*	*1,000 bushels*	*1,000 bushels*	*1,000 bushels*
October	2,315	37	381	11	0
November	514	257	130	0	19
December	5,769	625	408	2	----
October-December	8,598	919	919	13	----
January-March	13,999	6,062	4,082	1,328	----
April-June	8,635	1,213	239	573	----
July-September	2,756	2,756	327	1,585	----
October-Sept.	33,988	10,950	5,567	3,498	----

Totals computed from unrounded numbers.
Suez Canal Authority, Cairo, Egypt.

India Increases Rice Acreage in 1963-64

India planted 1,669,000 more acres of rice in 1963-64 than in 1962-63. The first estimate of planted acreage—covering the period ending October 1, 1963—was 77,889,000 acres compared with the revised estimate of 76,220,000 in the same period of 1962-63. Given an average to good yield per acre, production from the increased acreage would be about 1 million tons of rough rice.

Despite unfavorable weather in some parts of Bihar, Punjab, and Uttar Pradesh, the condition of the crop was generally satisfactory and its prospects good.

RICE: INDIA'S FIRST ESTIMATE OF ACREAGE PLANTED, 1963-64, AND ADJUSTED ESTIMATE 1962-63

State	1962-63 adjusted first estimate	1963-64 first estimate	Increase or decrease, 1963-64
	1,000 acres	*1,000 acres*	*1,000 acres*
Andhra Pradesh	4,975	4,995	+20
Assam	4,328	4,483	+155
Bihar	12,231	12,875	+644
Gujarat	1,341	1,301	—40
Kerala	981	977	—4
Madhya Pradesh	10,232	10,345	+113
Madras	2,046	2,057	+11
Mysore	2,387	2,369	—18
Orissa	10,813	10,813	——
Punjab	1,085	1,132	+47
Uttar Pradesh	10,307	10,702	+395
West Bengal	10,849	11,042	+193
Others	4,645	4,798	+153
Total	76,220	77,889	+1,169

All India First Estimate of Rice Crop (Planted Acreage Only), 1963-64.

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How Much Food the World Will Need

(Continued from page 4)

agrarian, subsistence-oriented economy must change to a commercialized, market economy. The capital inputs required to raise yields—fertilizer, pesticides, machinery, improved seed—must be purchased in the marketplace; and farm-produced goods must be sold in the marketplace to finance these purchases. This change from subsistence to commercial agriculture is, in effect, the process of modernization.

Agricultural research will be needed to determine what new practices should be adopted, what new combination of inputs should be used. A national network of trained extension workers will be needed to interpret these results to farmers. A high level of literacy in rural areas will be needed if both research and extension are to function successfully. Marketing, transport, and communications systems will be needed. The industrial sector must be advanced enough to provide the agricultural chemicals and the farm and transport equipment.

All this adds up to a far greater effort than is apparent from the simple figures measuring the necessary increase in food output.

Contrary to public opinion on the similar stages of population growth through which all countries pass, the developed world has never experienced a rate of natural increase comparable to that now facing the less developed world. If the less developed regions are to make even modest improvements in their per capita food consumption to match this astounding rate of increase in numbers of people, they must attain—with limited resources—an annual rate of increase in food output such as has never been attained even by the affluent societies of North America and Western Europe.

The effort required for the adequate feeding of the numbers of people projected for the less developed regions over the remaining four decades of this century will severely tax both man's ingenuity and the earth's resources. In this effort, the role of U.S. agriculture as a source of food and technical assistance for the rest of the world is growing steadily and it promises to achieve an unprecedented importance.

WORLD CROPS AND MARKETS INDEX

(Other commodity articles listed on page 2)